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ABSTRACT

This document consists of four papers presented during a symposium on the change process in organizations moderated by John Redding at the 1996 conference of the Academy of Human Resource Development (AHRD). "Corporate Culture: Friend or Foe of Change?" (Joanne Burgess) reports a study of the characteristics of corporate culture that facilitate and hinder change which found managers believed communication was the most important facilitator, whereas lack of open communication and employee commitment doomed it. "The Use of Staged Events to Mobilize Change--as Seen from the Participants' Viewpoint" (Michael Cope) attempts to identify significant factors for the participants and to apply this knowledge to improve the application of such events. A model describes significant issues for the study group. "Systematic Agreement: A Theory of Organizational Alignment" (Steven W. Semler) offers a theory that addresses some missing areas in the theoretical foundations of HRD, such as why alignment works, how it can be measured, and how it can be created or improved, and offers the possibility of testing the models of organizational alignment presently in use. "Pennsylvania Telecommunication Infrastructure's Effect on Telecommunications Employment" (Holly L. Tucker) examines the supply and demand of telecommunications workers in Pennsylvania through the year 2000. The occupations specifically considered are those of completers of Pennsylvania's postsecondary vocational-technical education institutions. Papers contain references. (YLB)

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SYMPOSIUM
[13] CHANGE PROCESS IN ORGANIZATIONS

Chair: John Redding, Institute for Strategic Learning

Corporate Culture: Friend or Foe of Change?
Joanne C. Burgess, Georgia State University

The Use of Staged Events to Mobilise Change—as Seen from the Participants' Viewpoint
Michael Cope, Henley Management College

Systematic Agreement:
A Theory of Organizational Alignment
Steven W. Semler, University of Minnesota

Pennsylvania Telecommunications Infrastructure's Effect on Telecommunications Employment
Holly L. Tucker, Pennsylvania State University

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Corporate Culture: Friend of Foe of Change?

Joanne C. Burgess
Georgia State University

Telecommunications companies need to change, but the consequences may be specific management strategies, including downsizings. The relationship between change and corporate culture is unclear. This study investigated the characteristics of corporate culture that facilitate and hinder change . Managers agreed that change is necessary for survival but criticized the company's process. They believed corporate culture a liability to change. Survivors of downsizing identified ten characteristics of survivors. Data suggest a cultural lag between technology and social attitudes. Results imply importance of communication and managers.

Deregulated in 1984, telecommmunications companies have been blasted from a protective cocoon of government support into the jaws of powerful competitive forces for which they have not been prepared. Business organizations, obliged to downsize the workforce and streamline the jobs, have had no blueprint for successfully accomplishing the task. Furthermore, the pace of disaster has quickened and intensified. The print media scream headlines about the last breath drawn by American companies and about the job losses of American workers. Therefore, the speed and intensity of arising business problems fuel the fear and anxiety connected with the concept of change.

Organizational researchers have extrapolated meaning from the term *culture*, which is a group's ideas, customs, and products (Bennett, 1966) and applied the concept of *corporate culture* to the business world. Employees' shared values, customs, and artifacts are very deep and drive behavior although they are often unstated and unrealized (Davis, 1984). More recent researchers divide *corporate culture* into emotionally charged belief systems and cultural forms or actions by which the *corporate culture* is expressed (Trice & Beyer, 1993).

Understanding Change and Corporate Culture

The relationship of *change* and *corporate culture* may be more expediently studied when one can better understand both phenomena. *Change* may be defined as "conversion" or "replacement" (Random House college dictionary. Urdang, Ed., 1980), but business researchers refer to it as "innovation" (Foster, 1986; Kanter, 1983). The ad hoc group, which is given permission by management to solve problems creatively, is a strong motivator of the *change* process (Peters & Waterman, 1982). Although business methods must be critically evaluated and often changed for marketplace survival, researchers believe in the supreme importance of corporate values in determining the effectiveness of the organization (Deal & Kennedy, 1982; Denison, 1990; Peters & Waterman, 1982; Schein, 1991) Thomas Watson, Jr. of I.B.M. believed that if a corporation is to meet the challenge of a changing world, it must be prepared to change everything about itself except its basic precepts and values (Watson, 1990). Therefore, how an organization goes about the business of *change*, whether or not the management is able to evaluate its *culture* and decide which precepts to alter and which precepts to preserve, and how the very process is carried out become critical issues within an organization.

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practiced anyway. Forty percent of the managers believed that risk avoidance and conformity were the traits rewarded at this company. One person said, " Disagreeing scares hell out of people." Others said that being politically astute and dressing appropriately are the behaviors rewarded here. Behaviors discouraged but practiced anyway suggest there is *change* in the air. There appear to be some challenging upward, wearing casual attire, and risk taking. Although the sharing of information is discouraged, employees do talk to each other about ratings, ranking and salaries. A perceptive manager said, "Information is power, and in an organization such as ours information does not flow well vertically." Word gets around that "pay raises for upper management have been dramatically above C.P.I. (consumer price index) while lower managers have received raises below the inflation rate." As one respondent pointed out, "In such an environment, trust is lost."

Ninety-five percent of the managers pointed out examples of excellence in the company. They named deleting superfluous jobs and incompetent employees, the reorganizing of the marketing division into four four small, customer-focused units, and showcasing best practices.. They mentioned pride in the technical excellence of telephone service and having an ethical image in the community. Nevertheless, 85% of them believed that the company's *corporate culture* is a detriment to *change*.The managers responded to the question, what should the company do to be successful in the external environment into the late 1990s and beyond. The strongest advice came from 50% of the marketiong managers: determining the customer, ascertaining the customer's needs, and meeting those needs must be the primary concerns for the company to be successful. Further suggestions were that the company should become the low cost provider of a broad array of products and communication services. In addition, the company was advised to look to the skills and needs of its own people and to operate at a faster pace. Other advice that did not create patterns was that the company must learn to deal with regulatory issues better, learn to be competitive, and become more flexible. When asked if training and education might become strategies for *change*, only 38% suggested that training could help theoretically. If the company were more supportive of training, it might become a strategy for *change*, one said. Another said, "Training is difficult to get and not current." And finally, "Training is not part of the corporate strategy"; it is often cut in times of economic need.

In the final interview, eleven survivors had made the cut in two comprehensive downsizings. These survivors of *change* listed reasons why they had survived: an ability to work well with others, a willingness to relocate, respectfully speaking what one believes, being a good and logical thinker, having strong experience in a key skill, showing good attitude and performing well, being proactive, being respected by one's superiors, and perhaps being internally directed. One person remarked, "The job I do is more important than the job I have." Sixty percent of the respondents defined survivorship positively. The most important needs of the survivors were listed as: more open communication to reduce confusion and anxiety, and information on behaviors that have led to termination of employees and on behaviors that are leading to survivorship. They need respect and support as well as interesting work. They want to continue to learn and grow as well as receive competent salaries and promotions. Most mentioned that in the present environment they must take care of themselves and learn as many new skills as they can. The survivors were asked to comment on the consequences of the downsizing as it related to themselves. One person mentioned "tired and overworked employees." The consequences of downsizing may well be a chance to survive the next downsizing, several believed. All believed that there will be more *change*. One person noted that more people are competing with their own best efforts now.

Although gender differences and length of service were variables considered in this study and were reported, neither revealed significant impacts on the study.

Results

Relevance of Qualitative Research in Interfacing Change Management and Corporate Culture

Little research has been done on what the characteristics of *corporate culture* are that support the *change* process. If these answers were known, it would become an easier matter to put strategies in place to facilitate *change*, or to consider the long-range task of changing the *culture*. A study to determine some of these answers, therefore, should be inductive and theory-building. Furthermore, "Grounded theory grows out of questions researchers ask about people in specific contexts" wrote Hutchinson (1990, p. 125). The data is then contextual because the participants are studied in their natural setting. The recent literature shows numerous ethnographic studies in organizations (Peshkin, 1993; Wierson, 1988; Zemke, 1989). Peshkin reported on ethnographic research in education, sociology and urban renewal. Wierson 's study was in a university setting and Zemke described multiple instances of anthropologists in corporations.

Methodology

In this mini-ethnography, 20 mid-level marketing managers in a large telecommunications company participated as cross-sectional informants in a series of two interviews on the subjects of *change* and *corporate culture*. In the last interview, 11 of the original group who were survivors of two major downsizings, a specific kind of *change*, agreed to a third and final interview on the subject of survivorship. The original group included 12 men and 8 women. The data were analyzed by the Strauss and Corbin (1990) methods of open, axial and selective coding. Gender differences and length of service were variables considered in the data analysis.

Trustworthiness of the study has been addressed through attention to the four criteria of Lincoln and Guba (1985). These researchers suggested that credibility, transferability, dependability, and confirmability be carefully considered. Activities that led to credibility included prolonged engagement, triangulation of data, and persistent observation. Triangulation actitivies involved administering an etic instrument, Management Inventory on Managing Change. (Kirkpatrick, 1989), to each respondent. Forty-three percent , 28 out of 65 questions, of the inventory, related directly to questions that were used in the interviews. Secondly, analyzing cultural artifacts (memos and newsletters) of the company in order to determine whether the data found there supported information that was received in the interviews was another method of triangulation. Concerning persistent observation, this study lasted between 18 months and two years. It is not suggested that results of this study be transferred to other telecommunications companies, but it is possible that results may extend to other managers in this company at the same level as those who participated in this study. Confirmability was verified by the presentation of data results from the first two interviews to those eleven subjects who were interviewed a third time.

Findings

All participants defined *change* as a process of opposing the norm or creating a modification in behavior and outcomes. One informant said that in today's business environment,change is "taking a business that is top down and making it bottom up." He was, in all probability, referring to the directional flow of information. All informants discussed the causal conditions of *change* in the telephone company as being either the company's critical need to survive in, or as developing skill for operating in, the competitive environment caused by divestiture. Questions, such as who is my customer/ what products does he need/ how can I best meet those needs reveal critical marketing issues with which the company's marketing division is grappling. Forty-five percent of the respondents identified the context of the phenomenon of *change* as being within the company, while thirty percent identified the context as being the external environment. Fifteen percent said that it was both internal and external.

Sixty-five percent of the respondents defined an antiquated, bureaucratic corporate culture that is "slow" and agonizingly unrealistic when the need for *change* is immediate. They explained that often smaller companies step in and get contracts while large, unwieldy corporations are trapped in their own process. Furthermore, the company has a habit of hiring outside consultants and ignoring the expertise of its own employees. And finally, most *change* is dictated from the top down. One employee said, "Corporate culture holds this company back."

The respondents discussed the most difficult phase of *change*. Fifty percent said that the initial stages are the most difficult . Included in these early stages may be communication attempts of leaders and employee responses of denial and uncertainty. Other causal conditions include the percerption that resistance surfaces most during this phase, *change* is seen as negative, rumors fly, management is often not perceived as open and communicative, and traditional *culture* fights new approaches. Managers suggested the following strategies for coping: acceptance of inevitable resistance, total openness, carefully prepared objectives, inclusion of employees so that they "buy in," and keeping a long perspective about the potential, positive achievements of the *change*. Forty percent of the respondents thought the implementation phases of *change* were the most difficult. Reasons why this stage may be overwhelmingly difficult include a lack of a well planned initial phase of the project, and a lack of employee commitment to the *change*. Anguish and upheaval in workplace lives of employees accompany the implementation phase because implemenation implies actualization and meeting of objectives, they said. Informants suggested the following as coping strategies: the use of a team for implementation, strong and open communication about the *change*, plans for meeting resistance, and coordinating efforts as well as modeling new behavior.

The respondents discussed the facilitators and the impediments of *change*. Fifty percent believed that commmunication is the most important facilitator of *change*. Thirty percent believed that the commitment of people and planning in the process are its greatest supporters. Others suggested that competition from the external environment and the changed behavior of leaders are most important. Forty-five percent said that lack of open commmunication most significantly impeded *change*. Thirty percent said that lack of employee commitment dooms it. The distinguishing difference between facilitating and hindering *change* lies in the human factor, sixty-five percent of the managers believed. Of that group, 54% referred to the commitment of the employees to the process, and 46% mentioned the skill and commitment of the leaders as creating the distinguishing difference between success and failure in *change*. Some answers were insightful but failed to form a pattern . One noted that there may be a division between "trust and the alignment of stated goals and purpose" of the *change*.

Ninety percent of the mid-level managers thought of themselves as important in the *change* process. They saw themselves as providing leadership, providing followership, showing commitment, focusing on growth, being open-minded, advising others, anticipating and planning, improving self-reliance, and keeping perspective. They were critical of upper level managers who do not help their employees grow. Concerning how they dealt with the *change* process, some were rational, saying that they tried first to understand the *change*. A second group said that they primarily focus on the possitive, and accept and commit to the *change*. Finally, there was a positioning group who said that they try to be open-minded, flexible and realistic about whether they can support the *change*.

Although the manager/respondents understood the necessity for *change*, they were critical overall of the company's management style. They suggested that current leadership lacks vision and has not studied the direction into which the company is moving so as to gage and understand that direction. Risk averse leaders, they said, practice the riskiest behavior of all, which is "not to change when things are going well." In addition to *change*, another important area of research for this study was that of the *corporate culture* of the company.

Respondents were asked to identify traits of their *corporate culture*. Then because *corporate culture* reinforces its values through rewards and punishments, they were asked to identify which traits of the *culture* were rewarded and which traits were discouraged but

The data from this study portray a large telecommunications company caught in the throes of *change*. Deregulation struck the telephone marketplace twelve years ago, and this large regional Bell began to try to make its way, sometimes haltingly, but nevertheless independent of protection, into an arena of new competitors, unusual mergers and customers hungry for innovative products and services. Its survival in this marketplace has been predicated upon a necessary journey of *change* in technological, marketing, financial and employee-related objectives and procedures. As the company has restructured its processes, it has become clear that specific characteristics of its *corporate culture* also must change before it will be able to thrive in the new, competitive and global market environment.

Just as surely as the above conditions have confused employees and caused anxiety about issues in *change*, the *corporate culture* grounded in a traditional and monopolistic environment has limited *change*. Sociologists express a theory of Culture Lag "when different parts of a society fail to mesh harmoniously" (Wallbank & Taylor, 1960, p. 9). It seems that Cultural Lag may also be evident in *corporate culture* "when there is also disparity between technological advancement and . . . social attitudes" (p. 9). Researchers believe "the drag of tradition and inertia on the part of well-meaning persons can at times be as dangerous as the overt acts of tyrants and dictators. (p. 9). One respondent said, "Because we don't reward people on the right things, people will spend their whole lives doing dumb things just to meet their goals, but to buck the system is very, very, very difficult." Although this research is a description and not an indictment, it does appear that there is an estrangement between upper management or company leadership and mid-level management. There may also be a gap between those involved in the technology of the company and those involved in the business and marketing processes. The Theory of Cultural Lag seems to extend to *corporate culture*.

Because information is power, management at this company seems to restrict the flow of it; therefore, the lack of communication is a barrier to *change*, and some employees find it difficult to trust the company. The *corporate culture's* having been paternalistic has bred a sense of entitlement into many. In addition, employees have had very narrowly defined roles, similar to those found in the milirary model, which has prevented flexibility, creativity and openness. Respondents in this study have agreed upon the supreme importance of open communication during *change*.

In addition to searching for whether or not *corporate culture* is supportive or destructive to *change*, this research project, which lasted between 18 and 24 months, has provided support for the importance of mid-level management in the process of *change* . Most managers agreed that *corporate culture* , which is a stabilizing force, resists *change*. The respondents revealed a manager group who are powerful concerning whether or not the *change* process is effective. Shared values of the managers include being profit-driven, quality-driven, and customer aware. Their needs are communication, trust, and having personal responsibility. In order to deal with *change*, the survivors refused to submit to anxiety. They tried to improve and become more self-reliant. They were pro-active and retained a sense of humor. They believe in open communication and in bringing employees together skillfully to get initial buy.-in for a *change* project.. Practices hindering *change* included lack of communication, leaders not modeling new behavior, and the lack of comprehensive goals and purposes. Successful *change* interventions, they said, involve human and cultural factors. The leaders must align the feelings of employees with corporate objectives. *Change* survivors are flexible, team players, focused, cognitive and logical thinkers, and respected by superiors,. They want support, appreciation, and salary increases.

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The Use of Staged Events to Mobilise Change - as Seen from the Participants Viewpoint

Michael Cope
Henley Management College

This paper considers the use of 'Staged Events' (Workshops, Team Sessions, etc.), as processes that contribute to the mobilisation of change. It attempts to identify some of the significant factors for the participants, and to apply this knowledge to improve the application of such events, and hence contribute to the transformation process. A model describes significant issues for the group in the study, and offers a potential checklist by which practitioners may review their own approach.

This paper considers the use of Staged Events within the context of change, and specifically how they are used as a vehicle to mobilise support and drive within an organisation. As Hammer and Champy (1993, p158) highlight, there is often the need to develop an "ongoing communication barrage to enlist the entire organisation in the reengineering crusade". Often, the change community will seek to deliver this barrage through the use of workshops, team events or other such group occurrences. Where people are brought together to share a common motivational experience.

This paper is the first of a series of studies that seeks to explore such phenomena, and to offer a model that may help to improve their application within the organisational transformation process. The subsequent three papers will (i) seek to determine any underlying theoretical viewpoints, (ii) offer a perspective of such processes from the practitioners standpoint and (iii) try to understand perceived value from the sponsors position.

Background

The study took place in a large multi-national organisation, where a re-engineering project had been underway since 1992. A number of managers from a head-quarters team were invited to a one day workshop, an event that was designed to underpin a company wide mobilisation process. The event was initialised by the external consultancy group (supporting the BPR programme) and led by the firm's senior managers. The primary aim was to *"engage the senior managers in mobilisation events.... so they become the advocates of change"*.

The event was structured around two half day sessions, the first outlined the progress of the project. The afternoon session was based around a syndicate exercise, one that sought to involve the participants in making decisions on a number of key elements within the programme. Each of the three syndicate teams was chaired by a senior manager from the unit, and the decisions of the group were to be used as part of the overall reengineering process.

Although the workshop was designed to stimulate involvement in post-event activities, the only people who actually undertook any specific action after the event, were those teams who were directly involved in the project. The rest of the participants did not undertake any post-event work, little guidance was offered on how they could to contribute to the programme.

Methodology

A naturalistic approach was adopted with this study in order to use a process that attempts to understand the nature and meaning of an experience for a particular group of people (Glaser & Strauss 1967), particularly using an open ended approach of theory building as opposed to testing. Additionally, the

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desire to understand the holistic viewpoint, the fact that the researcher was in a participant/observer position, and the *a priori* values that would be of significant influence (Lincoln and Guba, 1985) influenced the methodology decision. Of additional interest, was the wish to understand some of the forces that operate within this type of phenomenon. (Miles and Huberman 1994, page 4), and to develop an understanding of the critical factors that affect the process.

Whilst some degree of generalisability was desirable, the author accepted the view offered by Erlandson et al (1993, p 13) that *"No two social settings are sufficiently similar to allow simplistic, sweeping generalisations from one to another"*. However, the aim was to develop a semi-transportable model, one that might be of use to other researchers or practitioners.

The base data was obtained by interviewing a group of participants, some two weeks after the event, and each interview was recorded on audio tape and subsequently transcribed in readiness for detailed analysis. A summary version of the interviews was distributed to the interviewees to confirm that it was representative of the discussion. Data examination took the form of simple content analysis, which attempted to derive both a qualitative and quantitative factor when studying the transcripts. The qualitative element was used to derive a set of categories from the statements made by the participants, whilst the quantitative element was an underlying measure to try to get an intuitive feel for the strength of feeling around each emergent category. This recognised that such a form of examination might give only a view of the broad concepts within the data. It did not deliver any understanding as to *'why'* the ideas and feelings occurred, and how the different interpretations arose (Easterby Smith et al, 1994, page 108).

Definition of a Staged Event

The title *"Staged Event"* has been chosen quite deliberately. Within any change programme, there will be numerous people related activities, all of which are typically designed to bring about support for the change initiative. However, this research seeks to focus on those Events that are designed specifically to *"Mobilise"* change.

The proposition is that this tool is one that is often used in industry, albeit one that has received only limited attention by academics and practitioners. Kanter (1983, p229) illustrates the practice by highlighting what happens once people need to develop a broader level of support across an organisation, where it is highlighted that *"A large number of additional players may become involved at this point: when the action of implementing the innovative idea begins, the stage may be quite crowded, as the project team workers are collected and forged into an operating entity"*.

Beckard and Harris (1987) offer a similar view, with events called *"Organisational Confrontation meetings"*, where managers from across the company meet to develop action plans for improvement. Dannemiller and Jacobs (51) discuss the use of such a process at Ford, where between 50-200 people were involved in 5 day events, specifically to deliver an organisation wide quality circle.

Another variation on this theme was offered by Axelrod (1992) where the workshop process is specifically used as the change tool as opposed to a support mechanism. In this instance a process called the Conference Model™ is used, where the event pulls stakeholders together from across the organisation to actively take issues and resolve them over a dramatically shortened timescale.

Barrett et al, (1995) highlighted General Electric's use of the *'Work-out programme'* to spread the new organisational values. These events offered the opportunity to meet and discuss issues, that would in turn create a process to act as a catalyst for change. Posner and Rothstein (1994) show how the use of such events has been used by the USA's Department of Labor, where a two day retreat for senior managers was used to deliver immediate departmental improvements.

From a practitioner's perspective, the more radical use of workshops is shown by the approach taken by Gemini Consulting group. Gouillart and Kelly (1995) describe their use of the *"Valley of Death"* executive workshop. This is a team event that is designed to mobilise senior management teams. The

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experience is designed to be a brutal process, where people are subjected to emotional attacks on the performance of the company, a process that is explicitly painful and uncomfortable.

This limited number of examples highlights a number of ways that Staged Events might be dimensioned. Taking two simple variables; *'who is giving'* (Presenters) and *'who is receiving'* (Participants) shows how the context and content of the event may differ to a large degree:

Feedback and Review -Where the participants are being used as a repository of knowledge.

External Focus - Combination of multi-level groups that are brought together to listen and respond to a mobilising force that originates from outside the organisation

Problem Solving - An event whose purpose is more collaborative in nature.

Mobilisation - Where the change agents are seeking to stimulate action or desire with a discrete set of organisational actions.

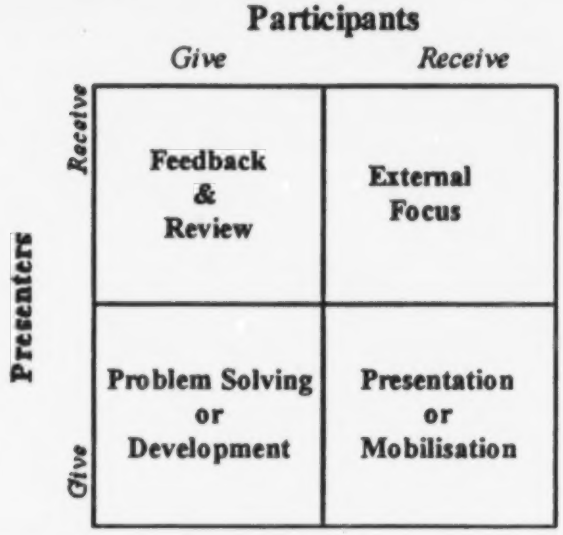

Figure 1: Staged Event Positioning Model

The study focused on the Mobilisation quadrant, where senior managers take deliberate steps to generate a force for change throughout the organisation. This might be typically linked to the Unfreeze and Transform phase of change (Lewin, 1951, Schien 1988), where there is a need to move forward once the status quo is unfrozen.

With the research taking an emergent form, there was some reluctance to build a formal definition of a staged event. However, some clarification might be offered by developing a clearer understanding of each of the words. *"Staged"* is a very specific application, with the suggestion of a platform or theatre, a place where traditionally there will be those who deliver messages and those who receive them. Typically in a single direction (presenters to receivers), but one that might include a two way approach. *"Event"* is very much about a notable occasion that will result in a defined outcome (Collins, 1983), where the suggestion is one of excitement and energy. These might be combined to deliver a casual description of a Staged Event: *-a pre-determined gathering of people, where one actor is presenting to other actors, with the intention of delivering a new frame of reference, and hence creating some form of sustained momentum for action and to ultimately move to the desired state.*

Interview Findings

The interviews were conducted in two separate phases, first the participants were interviewed, following this the workshop owner was interviewed, and topics were discussed around the issues raised by the participants.

Following the transcription of the interviews, each individual's response was broken into segments of critical statements. These statements (158 in total) were then used to intuitively derive 14 separate categories.

1. Target Audience	8. Belief in the Message'
2. Pre-Event Knowledge'	9. Personal Impact
3. Pre-Event Communications	10. Event Value
4. Pre-Event Expectations'	11. Post-Event Transactions
5. Presenter	12. Post Event Activities
6. Selling the Story	13. Story Retention
7. Theory Translation'	14. Mobilisation

Table 1 - Emergent categories.

These have been outlined with a descriptive narrative and a representative sample of the various responses. Each participant is indicated by the use of a letter (A-H).

Target Audience - The participants responses suggests confusion over their fit at the event. Comments such as "*We were too diverse for the director to be able to focus down on us (B)*" and "*I would have said it was better to do it on a project by project basis (F)*", might indicate that there was scope for either more focused participant selection, or clearer event positioning.

Pre-Event Knowledge' -A number of people had prior experience of the change being proposed at the event. Although this might be expected at many settings, it seemed to impact upon some participants willingness to accept the proposed ideas. A direct indication of this is "*What was said in the workshop about the areas that I worked in previously were extremely overblown (A)*" and "*Having been involved in the project, I know that many of the benefits were not incremental at all (F)*".

Pre-Event Communications - Two issues arose regarding communications. First the fact that only limited pre-event communication had taken place, "*Within (my team), there was virtually nothing (pre-workshop communications)* (A)". Secondly, "*I don't think communication was that good, if I had not been (previously) involved then I would not have understood that much about the project* (E)", raises issues about the appropriateness of the communication that did take place.

Pre-Event Expectations' - When asked about their pre-expectations, the response varied, ranging from, "*I was a bit suspicious, and not particularly positive* (B)", to "*I was looking fo: vard to the workshop* (D)".

Presenter - Both as part of the interview process, and in general background conversation after the event, the role of the presenter often came to the fore. Comments such as "*the presenter was evangelising, and I don't like that* (A)" and "(the other) *presenter was more down to earth and realistic* (A)", *the presenter made me feel more positive" and "the presenter....jumped all over the place (B)*".

Selling the Story - Emotional triggers seem to have been set off in reaction to the presenters statements. Declarations of, "*if you don't make it work, I will take you down with me*(B)", "*you shall do this, rather than why*(C)" and "*You were subtly being told to support it* (B)",*suggest* a feeling of coercion with the change, although others saw the style as being more participative, "*it was asking me to ensure that I gave my support, don't think anyone was directing me to do anything*(F)".

Theory Translation' - There was a strong reaction to the syndicate exercise, indicated both during the interviews and as part of the formal workshop feedback process. Typically all of the people felt that it was an inadequate process, that contributed little to either their learning or the progression of the programme. The responses included, "*I thought the syndicates were a bit unfocussed* (C)", "*The afternoon session was a complete waste of time, a childish nonsensical session, where the senior manager left half way throughout the event* (D)", and "*getting all those people together in a room, it didn't seem to have any sort of value* (H)".

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The comment, "*The syndicate exercise was positioned as a chance to explore how to take things away and implement them, I don't actually think it achieved that objective* (A)", reinforces the need to ensure that intrinsic and extrinsic value is derived from any process which seeks to deliver understanding on an operational level. This was also supported by the event leader, who said "*I guess with hindsight the syndicate wasn't entirely fruitful*".

Belief in the Message' - To what extent did the participants truly believe the messages offered at the event? The comments suggest that despite all of the valiant efforts by the presenters and the change agents, the attendees just did not give credence to what was said. Indicative statements include, "*I still thought claims were being made that were not quite true, It did not make me think that people were being honest* (F)" and *"Is it, you are the senior managers and we are going to brainwash you to brainwash everyone else.* (B)". There were some fairly emotive words used, which questions the extent to which trust is a barrier in the mobilisation process.

Additionally, the event manager's perception of the *"hard and valid financial data"*, (presented in support of the change) is not one shared by the participants. There appears to be a perceptive mismatch in terms of supposed benefits of the project. This is suggested by the event leader's comment, "*they have got very clearly stated benefits with very large pound signs"*, and the counter comment *"The financial savings numbers have always been banded about but I never really believed them(*H)".

Personal Impact - It is interesting to note the responses in totality, where some of the respondents felt that the content of the workshop would have little effect on them personally. This contrasts directly with the comment by the unit manager who felt *that "a number of particular recommendations are very relevant to us"*. Comments by the participants such as, "*I do not know specifically what I am expected to do now* (C)", *"My day job is not impacted by it* (D)", *and " No, I don't see any impact on us at all* (B)", tend to neutralise the top down view. Some contrast originated from a group of participants who indicated a willingness to support the change, but were unsure as to what they should be doing, "*getting an understanding of what it means more to us and how we need to build it into our job* (E)", and *" if it came to the crunch I would give something like that more priority than I had in the past* (H)".

Event Value - Although a group of people felt that the workshop was of limited value, those who perceived some benefit, placed greater emphasis on the space and time aspects. The gain seems to be from making a committed date in the diary, and physically meeting with people. Phrases like *"forces you to set aside time* (F)", "*easier to receive information* (D)" and *"able to ask questions* (B)" were common, with little being said about the value to them in terms of learning or understanding.

Post-Event Transactions - Little discourse seems to have taken place once people have left the event and returned to the office. Unless a formal process was instigated, (like a team meeting to review the output), few transactions seemed to have occurred. Indications from the responses are, "*Have not really (spoken to other people) no (D)", "Not discussed it (the workshop) a great deal* (H)", and "*I haven't spoken to them (colleagues about the workshop)* (B)". Where dialogue has occurred, it seemed to be very low key, *'Yes, I have spoken to some colleagues briefly in passing* (F)".

The only area where there was a degree of conversation was highlighted in a previous table, when the grapevine was awash with the provocative phrases that were used by one of the presenters when trying to sell the need for action. However, further research would be required to determine if this negative discourse actually delivered any mobilisation within the organisation.

Post Event Activities -The overall feedback suggests that the point of cognitive closure was at the end of the workshop, since little further action seems to have been instigated by the participants. Phrases such as, "*There wasn't enough to take away and do off your own back* (A)", *"there needs to be some kind of tangible follow on from the workshop* (A)" and *"There wasn't really anything of use to go away with really, there was no action for me to do, or at least I cant remember any* (E)

Story Retention - People could not even list three key messages, let alone any of the more complex components after the event. With comments such as, "*You know, I cannot remember the key concepts at all* (A)", *"Difficult for me to remember* (D)", and "*I am finding it quite hard no to think back and remember detail from the workshop* (H)". One point raised by a participants is that any post event messages tend to be corrupted by return to the work place, "*The fundamental thing is that you go and are bombarded with a lot of information, and, although at the time it is all very interesting and you think yes, yes, yes, half an hour later you come back to the office and start worrying about your day job* (E)"

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Mobilisation - At the end of the day, did the event *'make a difference'*? One theme that surfaced is the perception that the proposed ideas did not integrate with existing processes, "*What happens is that you have your day job and this is almost something separate*(F)". Of the eight interviews, three people responded (un-prompted) with the use of the words "*Day Job* (D, E & F)". Is this an issue, where people do not readily associate the new paradigm with their existing schematic view of the world.

Points for Consideration

To what extent does the Physical Event (the co-location of the participants) tend to take priority over other aspects of the process. Do the Pre and Post activities receive as much focus as the actual event, and to what extent can the point of interconnection between the three stages appear seamless and transparent to the participants.

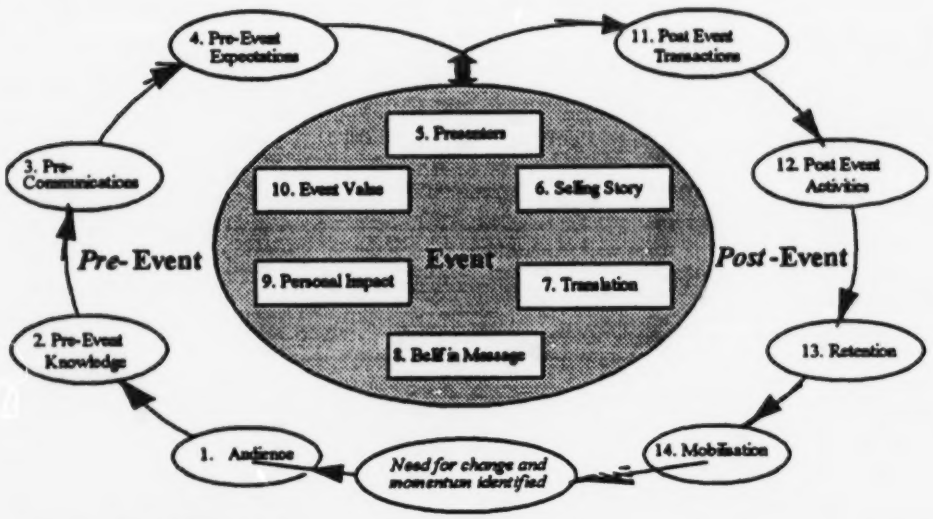

Figure 2 - Staged Event Model

The following discussion considers some of the issues that surfaced from the responses.

Target Audience: The responses highlight the issue of participant selection. The responses tend to suggest that some people were unclear of their positioning at the event, and were raising suggestions as to alternative selection criteria. Hence might some form of filtration or segmentation be applied to avoid a sheep-dip approach and to gather people with a common frame of reference? Where this is impractical, would it make sense to work on the assumption that the participants will have a diverse view on the subject being presented and design the event structure accordingly?

Pre-Event Knowledge: How will the knowledge base of the audience impact upon the process? In this study, the pre-event experience clearly prevented some people from accepting the proposition offered by the presenters. Additionally, there is a possibility that the doubt expressed by the knowledgeable participants will have influenced people who were not sceptical at the event.

Pre-Event Communications: The responses suggest that communication prior to the event were suspect. The issue seems to be, how did this situation impact upon the recipient's ability or willingness to respond to new ideas. This highlights the need to ensure that the communication process commences prior to the event.

Pre-Event Expectations: As individuals, people will arrive at the event with a range of differing expectations or Frames of Reference. These will have been based upon discussions with colleagues,

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rumours, speculation, disconnected pieces of grapevine information or possibly historical experience. One can either simply accept this potential range of cognitive perceptions, or possibly attempt to understand them in advance of the session and consequently manage them within the end to end process.

Presenter: There is an indication that the perception of the presenter impacted on the received message. The style adopted, words used, and perceived credibility of the person all seemed to play a part. However, whilst some people felt that certain statements were aggressive and autocratic, others perceived them as being acceptable. Hence the dilemma, not being able to be all things to everyone, how can the presenter adopt a style and approach that can facilitate the maximum level of support from the audience. The comments also surface the issue of demonstrating perceived senior management backing. In reality does it become detrimental to use senior managers to give the illusion of corporate support if they have little credibility with the audience?

Selling the Story: This category surfaces issues around the motivational style used at the event. Should a coercive form be applied, or is it better to focus on involving people and gaining commitment through participation and group involvement. How can a balance be established that doesn't result in the alienation of people who are more responsive to an alternative approach.

Theory Translation: The use of a team exercise to operationalise the theory did not appear to work. Potential issues included, where syndicate exercises, group discussion or case studies are used, can the design be tested or piloted in advance of the event; where the participants are expected to take decisions during the process, is it in context with their normal decision making expectations. Finally, can the implementation process of any such decision be clearly stated?

Belief in the Message: The participants did not appear to believe many of the messages delivered at the event, and this seems to have impacted upon its effectiveness. In this situation, little trust has been facilitated within the context of the event. People were not happy to simply accept words and numbers that appeared on a slide, although interestingly, they were not prepared to voice their distrust during the event. Has this lack of trust , and fear of raising such dissent led to a form of '*pseudo change*', where the revised ideas are not internalised and no schema modification takes place?

Personal Impact: People were quite unclear as to the impact of the event on their daily activities. How does such a disconnection occur, where people are unable to either state what aspects need to happen and more importantly what they need to do on a personal level? The suggestion is that without such a clear personal buy-in, there is little chance that the mobilisation for change will ever take place.

Event Value: Is the value of the event to the participants understood? If so, is it in terms of extrinsic or tangible benefit, or possibly intrinsic feelings?

Post-Event Transactions: The analysis tends to imply two things, little was being spoken about the event, and the content of the organisational dialogue remained unchanged. The lack of modification in the discourse seems to reinforce the points made earlier, that little would happen because the need for change had not been internalised.

Post-Event Activities: Have people left the event with a public commitment to take some significant action and is this to be reviewed as part of the existing activities?

Story Retention: Can the delegates clearly describe the key messages or the story line. If not, is it possible to reinforce the story after the event.

Mobilisation: At the end of the day, has the event '*made a difference*'?. If one assumes that the end purpose of the mobilisation process is to actualise a change in peoples cognitive view, then to what extent does can the change agent deliver this?

Further Research

Clearly, whilst this study offers a snapshot of the phenomena from a participant's perspective, a richer understanding will be obtained by considering altenative perceptions. The next stage will be to unravel an awareness from the standpoint of the Practitioner, the Change Sponsors and the Theoretical Literature. The primary theoretical areas that are suggested from the initial study are:

Cognitive Reframing- to what extent are such events affected by the cognitive map that people have before and after such events?

Organisational Discourse- In what way does the role of conversation after the event act to enable or restrict organisational mobilisation?

Organisational Trust - In what way does the trustworthiness of ones' peers and senior managers impact upon the event? Is trust a critical factor within the mobilisation process, or can events be operated without significant concern about such issues?

The practitioner's views will be developed in partnership with a number of leading UK consultancy firms. The sponsor's viewpoint will be formed by working with senior managers to understand their perceived value on the use of such events.

Epilogue

I am struck by the way that almost simplistic issues have surfaced as part of the analysis. There is little here that any proficient manager or change agent would disagree with, and would possibly say that they already account for. However, this event was designed by professional consultants, managed by experienced senior managers and attended by capable and qualified people. So (I wonder) what went wrong?

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Systematic Agreement: A Theory of Organizational Alignment

Steven W. Semler
University of Minnesota

Organizational alignment is a concept often mentioned in HRD models but rarely explained in detail. A theory of alignment addresses this gap. Organizational alignment is the extent to which strategy and culture create an environment that facilitates achievement of organizational goals. Well-aligned organizations apply leadership and HRD to create systematic agreement between strategic goals, tactical behaviors, and the organizational culture. Strong alignment thereby increases the performance of individuals, processes, and the organization as a whole.

In human resource development, practice often leads the development of theory. Reflective HRD practitioners frequently seek to develop convincing and effective models that will help them understand and address organizational performance issues. These practitioner-driven models have solid foundations in experience but often lack a solid theoretical basis to explain how, why, and under what conditions they work. In order to develop better models, practitioners and scholars must be able to thoroughly test existing designs. As scholars and reflective practitioners develop theory, they are better able to identify the strengths and limitations of the current models and to generate the information needed to refine and improve practice. Until now, performance improvement models that rely upon the concept of *organizational alignment* have lacked this necessary theoretical background.

Organizational alignment is the degree to which an organization's design, strategy, and culture are cooperating to achieve the same desired goals. It is a measurement of the agreement or relative distance between several ideal and real elements of organizational life. Strong alignment requires agreement, rather than conflict, between strategic, structural, and cultural variables. Almost by definition, an organization that is well aligned is an efficient organization. Just as misalignment of the wheels of an automobile causes inefficiency in its driver's efforts to move in a straight line, misalignment of an organization's internal guidance systems causes inefficiency in its attempts to achieve its goals.

Some HRD models state that positive alignment can be created by linking activities and processes to the organization's strategy. Proponents of these models suggest that we can improve performance by ensuring that the output of each organizational process contributes to achievement of the organization's strategic goals. The reasoning behind this suggestion is that these activities and processes should be intentionally designed to increase their usefulness and contribution to performance (National Institute for Standards and Technology, 1994; Robinson & Robinson, 1989; Rummler & Brache, 1990; Swanson, 1994). Because performance at the organizational level is largely guided by strategy (Pearce & Robinson, 1994), the component activities and processes of the organization should be designed to contribute to the achievement of strategic objectives.

Other models that use the term organizational alignment look at the agreement between an organization's culture and its chosen strategy, goals, and planned activities (Tosti & Jackson, 1994). The Malcolm Baldrige National Quality Award and Minnesota Quality Award criteria contain a similar assumption, even though they also prescribe linking activity and systems to strategy (Minnesota Council for Quality, 1994; NIST, 1994). In these models, the goal of the HRD activity is to increase the agreement between the levels of organizational strategy and their corresponding levels of cultural belief and activity. Increased agreement on each of these levels leads to increased individual, team, and organizational performance. As in the other models, alignment revolves around a link between strategy and behavior.

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Current models that incorporate the concept of organizational alignment offer simplicity and common sense, but do not explain why alignment works, how it can be measured, or how it can be created or improved. While these models may help organizations measure and improve performance in a general sense, their assumption that strong alignment is desirable has not been backed up with either theory or rigorous research. This paper offers a theory of organizational alignment that addresses some of these missing areas in the theoretical foundations of HRD and offers the possibility of testing the models of organizational alignment presently in use.

Defining Organizational Alignment

Organizational alignment is a descriptive concept referring to the extent to which the strategy, structure, and culture of the organization combine to create a synergistic whole that makes it possible to achieve the goals laid out in the organization's strategy. It is a measure of degree, ranging from complete opposition (-1.00) to perfect harmony and synergy (+1.00). As a continuum, therefore, it is impossible to *create* alignment, but only to *improve* alignment within an organization.

Strong organizational alignment implies that the strategy, structure, and culture of the organization create a net probability of achieving the strategic goals that is greater than random chance would indicate. Weak alignment (or misalignment) creates a net probability of goal attainment that is less than chance. The greater the degree of alignment, the higher should be the corresponding probability of success. Since the practical business purpose of all for-profit and most not-for-profit organizations is to remain viable and grow according to the requirements of strategy and their environments, strong organizational alignment should be highly desirable.

Strong alignment indicates an increased probability of organizational goal attainment because it serves as an indicator of cooperation, efficiency of human activity, and the degree that individual or group behavior within the organization contributes toward the strategic goals. If an organization's leadership and HRD processes can systematically create agreement in each of the four *domains* of alignment then they should enjoy a high level of internal organizational performance that results from the benefits of such cooperative activity.

The Theory in Brief

Organizational alignment is the extent to which there is agreement between strategy, structure, and culture within an organization. This agreement creates an internal environment that facilitates achievement of the organization's strategic goals by removing internal barriers to cooperation and performance that would otherwise reduce the efficiency and effectiveness of work toward those goals. The broad concept of organizational alignment operates in four distinct, but interrelated, domains.

Design Domain of Alignment (Cascade of Goals). Agreement between the goals of different levels of activity within the organizational structure describes the first, structural domain of alignment. Well-aligned organizations create a rational *cascade of goals* for key processes, subprocesses, teams, and individual jobs so that the output of each process or activity contributes directly to the goal attainment of the process level of which it is a part (Rummler & Brache, 1990; Swanson, 1994). Members of the organization systematically design the organization's processes in this way to maximize efficiency and to reduce barriers to performance. This cascade of goals creates a shorter path to attainment of the organization's strategic goals than that of an organization designed for other process goals or allowed to develop without any systematic design of its processes.

Cultural Domains of Alignment (Values & Norms). The match between elements of strategy and organizational culture define the second two of four domains of alignment. Well-aligned organizations use an effective leadership process that sets strategic goals, suggests appropriate tactical behaviors to achieve the goals, and influences the organizational culture to support the strategy. Because cultural values and norms have a stronger, more pervasive effect on actual behavior than rational planning (Pearce & Robinson, 1994; Schein, 1990), the degree

of agreement between the organizational culture and the strategy directly influences the ease with which the organization may achieve its goals.

Agreement between cultural values and the values implicit in the strategy facilitates acceptance of the strategic goals by the organization's members. This acceptance occurs because the members of the organization are already predisposed toward the cultural values and are more likely to accept goals that are in accordance with those values. Similarly, agreement between planned behavior (or *tactics*) and the cultural behavior norms facilitates the direction of actual behaviors toward attainment of the strategic goals. Leadership and HRD practitioners within the organization can affect these domains of alignment by selecting appropriate goals and tactics and by exerting influence on the organizational culture.

Operational Domain of Alignment (Ideal & Actual Behavior). Agreement between the actual behavior of an organization's individuals and processes and the behavior that is required for attainment of the strategic goals is the fourth domain of alignment. Alignment of this domain is an indicator of the degree of operational *goal-directed behavior* demonstrated by organizational members and processes. This domain is more of a measurement domain of alignment than one that organizational leadership or HRD practitioners can manipulate directly. As such, it serves as a corroborative check on the other three domains of alignment. If the actual behavior is in agreement with that required to attain the strategic goals then overall organizational alignment within the other three domains is likely to be strong and should result in successful organizational performance.

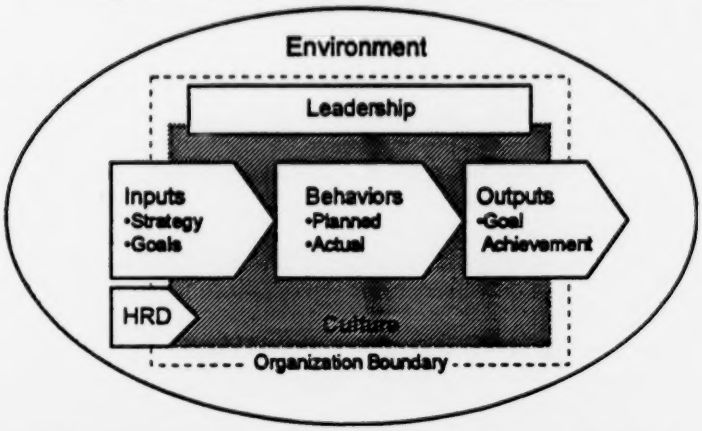
Dynamic Relationships and the Alignment Model

The construction of this theory is based upon a general systems theory view of organizations. Under this view, an organization exists as a purposeful collection of processes within an environment. Leadership, organizational culture, human resource development, and the environment serve as influences on the basic input-process-output system (Figure 1). Human resource development can directly affect inputs (through the design of the organization and the skill of its members) or may affect the organizational culture by enhancing the influence of leadership. Process inputs may include goals, plans, tactics, knowledge, skill, job and process design. The external environment constrains the choice of strategy, which includes strategic goals, values, directions, and tactics. Conditions within the environment make some positions more or less advantageous when matched with the organization's competencies. The external environment also has an indirect influence on the organizational culture as noted in Figure 2.

Organizational leadership bases the strategy on a rational assessment of the environment and the organization's mission, vision, values, and capabilities. It then translates the strategic goals into more specific tactics or operating plans. The organizational processes and jobs may be redesigned around these tactics and plans so that the goals and outputs of each level reinforce the goals and outputs of succeeding levels (Pearce & Robinson, 1994). This creates the cascade of goals with strong alignment at the individual or job, process, and organizational levels of performance (Rummler & Brache, 1990). Other non-traditional means of strategy determination may be used without invalidating the relationship between strategy and alignment.

The effect of organizational culture can be seen as a field that pervades the entire organization and encourages certain behaviors and discourages others (Wheatley, 1992). The degree of agreement between the strategic goals and cultural values determines the degree of support or resistance that the culture will apply to the goals themselves. Additionally, the degree of agreement between the behaviors required by the tactics and the cultural norms determines the degree of comfort that organizational members will have with the required behaviors and, thus, their frequency of occurrence. As a result, the organizational culture can have a diminishing or strengthening effect upon both the goals and behaviors determined by the rational process of strategy formulation (Pearce & Robinson, 1994).

Figure 1. Process Model of Organizational System



A process model of the organizational system within its environment, including the field effect of culture and the presence of leadership and HRD.

An effective leadership process will facilitate cultural acceptance of the goals and behaviors, and a strong human resource development process can act as a multiplier of the effectiveness of the leadership process. Note that this multiplicative relationship implies that an HRD process will have no effect in an organization with an ineffective leadership process.

These relationships combine to produce or inhibit positive organizational alignment that is reflected in behavior (Figure 2). The key points of leverage for HRD are: (a) at the point of strategy selection, (b) at the point where organizational design produces a cascade of goals, and (c) where leadership and HRD can influence the organizational culture.

Hypotheses

The construction of this theory of organizational alignment gives rise to several key, testable hypotheses. The most important of these include:

1. *The strongest possible alignment within each of the four domains of alignment will produce the greatest probability of goal attainment.* Rationale: Strong positive alignment gives the organization the ability to focus its resources on the desired outputs with greatest efficiency. The efficiency of resource utilization makes the path to the goal states shorter, and

Figure 2. Relationship Model of Organizational Alignment

Relationship model of the variables comprising or affecting organizational alignment, including leverage points (a) the point of strategy selection, (b) the design of cascading goals, and (c) the influence of leadership and HRD on the organizational culture.

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facilitates the behaviors necessary to arrive at the desired ends.

2. *Strong alignment will have a positive effect on the organizational culture demonstrated by improved member satisfaction and productivity.* Rationale: Alignment indicates agreement and harmony between culture, goals, and behaviors. A high level of agreement should produce a work environment relatively free of harmful stress and conflict. It should also facilitate behaviors that lead to accomplishment, improving employees' sense of satisfaction and belongingness.
3. *Organizations that have strong alignment will be more competitive or successful in their environments than those with weaker alignment, given that the initial choice of strategy is appropriate and that other factors not directly affecting alignment do not play a spoiling role.* Rationale: The increased performance made possible by alignment should serve as a competitive advantage over other organizations that are not as well aligned.

These hypotheses should be testable using current empirical research techniques. The author is currently developing an instrument to measure organizational alignment on a scale from -1.00 to +1.00 at twelve observation sites within an organization.

Summary

Organizational alignment is a phenomenon that many authors have touched on in a peripheral way. Several have built it into organizational performance models without offering a complete explanation of what it is and how it works. Many of these models are sound and deliver excellent results when used as intended, and do not suffer in practice from their lack of a theoretical basis for one of their components. The credibility of these models can only be strengthened by providing a solid theoretical foundation for their assumptions. This theory of organizational alignment provides that foundation.

Most models of organizational performance describe ways in which organizations can be more successful. Within this theoretical model, as in others, the organization must develop its own definition of success. While this theory describes alignment and it relationship to strategy and culture in general, specific organizations' strategic goals and tactics will vary. True organizational performance will depend heavily upon selection of strategy that is an appropriate match with all (or as many as possible) of the requirements of its environment. *It is critical to note that if an organization selects a strategy that is not a good match with its environment, alignment will only help it to fail faster.*

Alignment is a measurement dimension that taps into the systematic agreement between forces within an organization. This theory does not presuppose that it is the only important measurement dimension, nor that overall organizational success can be explained by alignment alone. Other researchers have demonstrated that external variables can often have a greater impact upon organizational performance and survival than internal conditions.

Scholars should note that this theory is based in a general systems metatheory that contains dynamic empirical assumptions of behavior and interaction. As such, it ignores some aspects of organizational life that are central to other metatheories. Exploration of alignment from the perspective of social constructivist or organismic science may offer additional richness of explanation that HRD practitioners would find valuable.

Future research should explore the relationship between alignment and organizational success. The concept of alignment presented in this theory is similar to that built into the Malcolm Baldrige National Quality Award (MBNQA) and related state and organizational awards. As more research and experiential evidence continue to confirm the strength and usefulness of the Baldrige framework (Grant, Shani, & Krishnan, 1994; MCQ, 1995), perhaps additional research could determine how using the MBNQA framework creates alignment, and what part alignment plays in the success of award-winning firms. It would also be worthwhile to examine cases in which an organization is highly aligned, but working toward an incorrect strategy choice. Would alignment break down when the organization realizes the implications of its choice? Would the strong alignment make it easier to accomplish an emergency change of

strategy? If alignment reflects the strength of harmony between strategy, structure, and culture, it may have either a beneficial or a harmful effect on an organization's flexibility. More work will be required to answer these questions.

As the world becomes more complex, competitors, customers, shareholders, communities, and employees will place more direct and indirect demands upon organizations. Creating systematic agreement can provide a competitive advantage to those organizations that are wise enough to pursue it. Improving the harmony between organizational strategy, structure, and culture can make it increasingly likely that an organization will reach its goals and be able to thrive amid increasing complexity.

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Pennsylvania Telecommunication Infrastructure's Effect On Telecommunications Employment

Holly L. Tucker
The Pennsylvania State University

The purpose of this paper is to examine the supply and demand of telecommunications workers in Pennsylvania through the year 2000. The telecommunications occupations specifically looked at are those completers of Pennsylvania's Post Secondary Vocational-Technical Education Institutions.

Human Resource Development personnel will be faced with even greater challenges as they try to locate and maintain a qualified workforce. Issues that will impact the workforce include: changing demographics, the fading of the American dream, and the emergence of a high tech society. There will be a continued growth for what is called knowledge industries which create a demand for a knowledge workforce. Over half of the jobs in the 21st century will require postsecondary education and training. The illiteracy rate will continue to increase. At present employers spend approximately $210 billion annually on training. (Gayle, 1990)

Industry Overview. The telecommunications industry is composed of telephone companies, cable, utilities, satellite and television. Telephone companies are divided into interexchange carriers, which are long-distance telephone carriers; Bell operating companies, which are interregional telephone carriers; and local exchange carriers which are local telephone companies. (Standard & Poor, 1995). The information market place has four major components. These are: private sector owners, makers of information appliances, and information providers. (Henderson, 1994). At present communications lines via twisted pair, coaxial cable, and fiber optics are used to transport voice, data, and video. The infrastructure has been improved through the deployment of digital switches, fiber optics, and SS7 networks which provide out-of-band, packet-switched communications and information transfer between network components to allow for call processing. (Standard and Poor, 1995).

Pennsylvania's Telecommunications Industry. Over the last decade, Pennsylvania has upgraded its telecommunications infrastructure through the deployment of new technologies. The existing telecommunications infrastructure is comparable to that of other areas of the United States as well as other advanced countries. (Deloitte & Touche, 1993). Each county in Pennsylvania contains, on average, approximately 99000 access lines. Of these access lines 67% have touch-tone capabilities, 30% are equipped with custom calling features and 3% have custom local area signaling services. (Cronin, et al., 1995). In addition, 84% of all switching entities are digital switches with fiber being increasingly deployed in interoffice and feeder ports of the local exchange carrier networks.

Pending Legislation

On a hearing before the subcommittee on telecommunications and finance, testimony was given on the necessity of new legislation concerning communications' regulation and support. It was stated that in the future, national security will be determined by the ability of the United States to compete on the information battlefield. Both Japan and the European Community are responding to this new warfare by investing tremendous amounts of money in emerging technologies. Japan's Nippon Telephone and Telegraph Company are investing $240 billion in a capital improvement program aimed at bringing integrated network services to every business in every city of Japan. France's government-owned telephone company has invested $2.5 billion since 1981 (Network of the future, 1989). In addition, China, which currently has 2 lines per 100 people, is planning to increase the ratio to 10 lines per 100 by the year 2000 and to 40 lines by 2020. If only one line per 100 were added, this would represent more equipment than AT&T's current share of the entire U.S. market (Standard & Poor, 1995).

Currently there are three bills dealing with revising the telecommunications industry. The first bill, by Rep. Thomas J. Bliley, Jr., is to promote competition and reduce regulation in order to secure lower price and higher quality service for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies. The measure would lift a

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ban preventing the seven Baby Bells from entering the long-distance market and would break up monopolies in local exchange networks. Another provision would allow local telephone companies to provide cable service either through their own facilities or by collaborating with existing cable networks. In addition, Rep. Bliley's bill would allow cable operators, radio, and televisions broadcasters, and local and long-distance telephone companies to enter each other's market (H.R. 1555, 1995). The bill to supersede the modification of final judgment entered August 24, 1982, in the antitrust action styled United States versus Western Electric, Civil Action No. 82-0192, U.S. District Court for the District of Columbia and for other purposes, by Rep. Henry J. Hyde, also proposes allowing Baby Bells into the long-distance market. Rep Hyde's bill would give the Justice Department an authorizing role above and beyond the purview of the Federal Communication Commission. The Justice Department would have 180 days after a Baby Bell entry application to review and grant entry unless it was clear the Bell company would use its local monopoly to monopolize the long-distance market (H.R. 1528, 1995) . The third bill's intent is also to promote competition and reduce regulation in order to secure lower prices and higher quality service for American telecommunications consumers and encourage the rapid development of new telecommunications technologies, by Sen. Larry Pressler. Sen. Pressler's bill has been approved by the Senate. This bill would allow cable operators, radio and television broadcasters, and local and long-distance telephone companies to enter each other's markets. Sen. Pressler's bill breaks new ground in deregulation, educational programming, rural telemedicine, infrastructure sharing, communications decency, TV rating and universal service, while paving the way for increased competition in the trillion-dollar telecommunications industry (S.652, 1995).

The basic question hindering the passage of these bills into law is the question of service to remote areas. (Carney, 1995). Cornin, et. al. (1995) states that recent research examining sector-specific production functions and the uses of telecommunications in the product process confirms that telecommunications can be a significant substitute for capital. Cornin further states that economic development proceeds more slowly in rural than in urban communities. This is due to fewer economics of scale, less access to health and education facilities and less access to information and technology. The United States has prided itself on a telecommunications system that provides services for all (Networks of the future, hearing before subcommittee on telecommunications and finance of the committee on energy ad commerce, house of representatives, one hundred first congress, first session, 1990).

Past Studies

In 1993, Deloitte & Touche and Data Resources Inc., a subsidiary of McGraw-Hill, submitted a study to the Pennsylvania Public Utilities Commission. This study was funded by a consortium of the major local exchange carrier and interexchange carriers providing telecommunications services within the Commonwealth of Pennsylvania. Deloitte & Touche were to asses the benefits of the deployment of advanced telecommunications technology for Pennsylvania. This assessment would facilitate the formation of strategic public policy objectives.

The result of this analysis states:

> The deployment of telecommunications technology has produced a wide range of benefits to Pennsylvania in terms of its impact on job growth and creation, productivity gains, and production cost savings for industry in the state, gains in household incomes, growth in state and local tax revenue base in the Commonwealth, and the contribution of telecommunications-related efficiency gains to reduce the impact of inflation on the prices of goods and services in Pennsylvania. (Deloitte & Touche, 1993)

Historical data gathered between 1965 and 1995 shows that on the average .7% of all Pennsylvania jobs were generated by telecommunications. Almost three quarters of the increase in jobs occurred in the relatively stable, high-growth non manufacturing sector, more precisely the retail and wholesale industries. (Deloitte & Touche, 1993).

The telecommunications infrastructure study's analysis looked at a baseline scenario and three variation of the baseline. At the current rate of conversion within the infrastructure, the baseline scenario was developed under assumption that broadband services capabilities would be available to all Pennsylvania's residences and businesses by the year 2030.

The first scenario, called conservative scenario decreased the time for total deployment from the year 2030 to the year 2020. The second scenario, called the moderate scenario, reduced deployment from 2020 to 2014. The third scenario, called the aggressive scenario, accelerated deployment of broadband-capabilities to residences and businesses to the year 2010.

In the baseline scenario, Pennsylvania will gain an average of 59,000 jobs per year starting in 1993 and projected to the year 2030 with a cumulative gain of approximately 2,200,000 telecommunications-induced jobs. In the conservative scenario, an additional 296,000 over the baseline for a total of 2,496,000 jobs. The moderate scenario produced an additional 429,000 jobs over the baseline while the aggressive scenario produced 937,000 additional telecommunications-induced jobs. This increase in jobs in Pennsylvania is assumed to be the result of the reduction in business costs based on his historical data of 1965 to 1991. The reduction in business costs mainly due to input substitutions will allow Pennsylvania's industries to more competitive by passing the savings onto consumers. Again jobs were gained in the retail and wholesale industries. (Deloitte & Touche, 1993).

Methodology

Currently these are 37 universities four-year and community colleges, and post-secondary technical schools in Pennsylvania which offer communications-related programs. For example, looking at the Classification of Instructional Programs (CIP) code for electrical, electronic and communication engineering technology and technicians (CIP code 15030), there are 35 postsecondary vocational-technical education institutions in Pennsylvania that offer this program. Electrical, electronic, and communications engineering technology ad technicians' program prepare individuals to apply basic engineering principles and technical skills in support of electrical, electronics, and communications engineers. This program includes instruction in electrical circuitry, prototype development and testing; system analysis and testing, system maintenance, instrument calibration, and report preparation. According to the Carl D. Perkins Vocational and Applied Technology Education Act, institutions are required to report completers of occupationally specific programs by institutional category. (PA Dept. of Vocational Education, 1995)) During the 1993-1994 school year , there were 1,874 enrollees in this two year program During the same year, there were 353 graduates earning associate degrees.

Supply side. To determine the supply side first a cross walk program will be used to determine the OES codes (Occupation Employment Statistics) which will show those occupations for which graduating students are qualified. Second, the 1994-1995 Carl Perkins survey will be used to determine the number of graduates of those two-year programs. In addition other training sources such as the Communications Workers of America will be identified.

Supply = Employed in a Different Occupations + Entrants and Leavers + Not Working

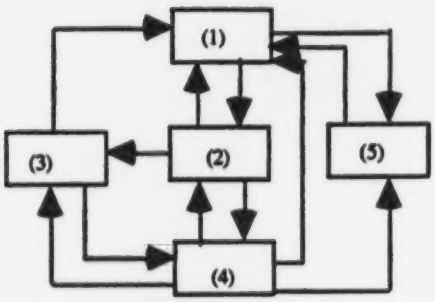
Currently according to the Pennsylvania Department of Labor and Industry's Bureau of Research and Statistics Statistical Information Center's employment outlook (1995) there will approximately 2,045 job openings by the year 2000. One hundred fifty jobs will be due to growth in the industry and 1,895 jobs will be due to separations. Separations is defined as those job openings resulting from individuals leaving the occupation due to death, retirement, or other job opportunities.

Job Openings = Growth + Replacement Needs Due to Separations

Demand side. The demand side will be determined through the use an economic model to forecast change in policies. The proposed model is a computerized replica of the Pennsylvania economy. The Pennsylvania Model is produced by Regional Economics Models Inc. (REMI), a Massachusetts based firm which specializes in regional forecasting and simulations models to be used for policy analysis. The REMI model is available for at a county, state, or combination of regions in the United States (Treyz, G., 1993).

The REMI model is based on an input-output table which shows the interindustry relationship and the delivery of industrial output for personal consumption expenditures, government demand, investment, and exports, Also included a series of behavioral equations estimate output, populations, and labor supply, capital and labor demand, local and export market shares, wage, prices, costs, and profits. (Passmore, 1994)).

Basic Model Linkages



(1) Output
(2) Labor & Capital Demand
(3) Population & Labor Supply
(4) Wages, Prices, and Profits
(5) Market Shares

Source:: Regional Economic Models, Inc.

To determine demand for electrical, electronic, and communications engineering technicians graduates, this study will duplicate the study done by Deloitte and Touche.

Results

This is a work in progress. Questions to be answered include the following: How will the deployment of telecommunications effect the employment opportunities for electric, electronic, and communications engineering technicians? Will the supply of individuals entering these occupations meet the demand? The result of the three scenarios will produce projections of changes on Pennsylvania's electric, electronic, and communications engineering technicians. Survey results from the Pennsylvania's Postsecondary Vocational-Technical Education institutions and other training providers will determine the supply side of the equation.

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